

## **Mission Statement**

### **CS Healthcare Technologies Trade Mission**

**China and Hong Kong  
October 30-November 3, 2006**

#### **Mission Description:**

The United States Department of Commerce, International Trade Administration, U.S. Commercial Service, Office of Global Trade Programs, is organizing a Healthcare Technologies Trade Mission to China, which will visit Beijing, Zhengzhou, and Hong Kong October 30-November 3, 2006. The trade mission will target a broad range of healthcare sectors, including medical equipment and devices; diagnostics; the IT-healthcare sub-sector, e.g., electronic patient records, automated patient scheduling, telemedicine; and healthcare services. The focus of the mission will be to match participating U.S. companies with qualified agents, distributors, representatives, licensees, and joint venture partners, and where appropriate, arrange for appointments with government officials, in these markets.

#### **Commercial Setting:**

##### **Beijing:**

Beijing is China's capital and gateway to the vast opportunities that exist in this country's medical sector. China's medical device market is one of the world's largest and fastest growing, ranked 11<sup>th</sup> in the world. Imports account for approximately seventy percent of China's US\$6 billion medical device market, and the U.S. supplies approximately 35 percent of those imports, followed by Japan, and European countries, led by Germany.

China's market for imported medical devices is growing at about 15 percent annually; the sales volume of China's medical equipment market is expected to exceed US\$7 billion for 2005. Chinese end-users view U.S. products as superior in quality and technologically advanced. China's hospitals, in particular, welcome high quality, high technology medical products.

Depending on the type of product being imported to China, two Chinese agencies – the State Food and Drug Administration (SFDA), and the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) – control the regulatory process for medical devices in China. Importers must register all medical and dental equipment with SFDA prior to sales and distribution in China. The AQSIQ has established technical standards for imports and exports of seven categories of medical equipment through compulsory product certification.

The Chinese medical equipment market provides strong opportunities for U.S. exporters, but it also presents its share of challenges, primarily due to its regulatory environment (mainly dealing with pricing issues and requirements concerning centralized procurement regulations) and Intellectual Property Rights (IPR). However, there are promising steps being taken by the

Chinese government to address these challenges. China joined the World Trade Organization (WTO) four years ago and has committed itself to cutting tariffs, liberalizing its domestic distribution practices, restructuring its regulatory environment, and revising laws to address IPR protection requirements. Persistence, coupled with due diligence and guidance, can result in successful sales to this growing market of 1.3 billion people.

**Zhengzhou:**

One of the oldest central cities in China, culturally rich Zhengzhou is the capital of Henan Province and a dynamic industrial and communications hub, directly accessing 10 provinces. More than 10,000 domestic and overseas business organizations have established operating facilities in Zhengzhou, and each year the city hosts over a hundred trade fairs, conferences and other major business events, in addition to specialized activities associated with Zhengzhou's medical college.

**Hong Kong:**

Hong Kong's population of 6.8 million in 2003 is expected to increase to 7.3 million by 2006. It is anticipated that those aged 65 and above, which constituted about 11 percent of the population in 2002, will rise to about 13 percent in 2016. As a result, there has been a shift in disease pattern towards chronic ailments, such as stroke, diabetes and coronary heart disease. This has led to rising demand for high-technology products and services for use on stroke and heart attack patients. Consequently, there is also a growing need for rehabilitation services and equipment.

Hong Kong produces almost no medical equipment and relies almost entirely on imports. Total medical equipment imports in 2003 were US\$801 million, with imports from the U.S. at US\$206 million (26% of the total imports). U.S., German, and Japanese products dominate the medical equipment market in Hong Kong.

There are basically four categories of "consumers" for medical equipment: public hospitals, private hospitals, private practitioners and private laboratories. The primary customers of U.S.-made medical products in Hong Kong will continue to be the public hospitals.

**Mission Goals:**

The Trade Mission's goal is to provide market entry or increased sales into the Chinese/Hong Kong markets for U.S. healthcare firms and/or IT firms with healthcare-related products or services, as well as first-hand market information and access to potential business partners.

**Mission Scenario:**

In Beijing, the trade mission will include a hospitality event to introduce participants to key business and industry officials and a market briefing highlighting opportunities in the healthcare technologies sector; in Zhengzhou one-on-one business appointments with potential business partners will be scheduled for each participant; the stop in Hong Kong will include a market briefing and business appointments. The Zhengzhou leg of the mission will consist of participation in China Medical Equipment Fair (CMEF), the premier Asian medical trade fair. CMEF, in its 26<sup>th</sup> year of operation, is the largest medical trade show in Asia. Taking place

twice a year, it provides U.S. exhibitors and visitors an excellent opportunity to export to the Chinese and other Asian medical device markets. For CMEF 2006 in Zhengzhou, 45,000 – 50,000 visitors are expected, and is expected to host 1,900-2,000 exhibitors. Healthcare mission participants will participate in pre-screened, one-on-one appointments in dedicated meeting space at the convention center, and will have the opportunity to meet with exhibitors at the show, and to present their products and objectives to show attendees and exhibitors through special seminars at the show. The show will run from Tuesday, October 31<sup>st</sup> to Friday, November 3<sup>rd</sup>, 2006.

### **Proposed Timetable:**

#### **Sunday, October 29, 2006**

Arrive Beijing

#### **Monday, October 30**

Meetings with Chinese healthcare agencies

Market Briefing

Leave for Zhengzhou

#### **Tuesday, October 31**

Tour CMEF trade show

Appointments at trade show

Evening reception

#### **Wednesday, November 1**

Appointments at trade show

#### **Thursday, November 2**

Depart for Hong Kong

Market Briefing

Evening Reception

#### **Friday, November 3**

Appointments

Wrap-up

### **Criteria for Participation:**

- Relevance of the company's business line to the mission scope and goals;
- Potential for business in the selected markets;
- Timeliness of the company's completed application, participation agreement, and payment of the mission participation fee;
- Provision of adequate information on the company's products and/or services and communication of the company's primary objectives to facilitate appropriate matching with potential business partners;
- Certification that the company's products and/or services are manufactured or produced in the United States or if manufactured/produced outside of the United States, the product/service must be marketed under the name of a U.S. firm and have U.S. content representing at least 51 percent of the value of the finished good or service.

Any partisan political activities of an applicant, including political contributions, will be entirely irrelevant to the selection process. The mission will be promoted through the following venues: Export Assistance Centers and the Healthcare Team; USCS Trade Events List on [www.export.gov](http://www.export.gov); industry newsletters; the Federal Register; relevant trade publications; relevant trade associations; past Commerce trade mission participants; various in-house and purchased industry lists, and on the Commerce Department trade missions calendar: [www.ita.doc.gov/doctm/tmcal.html](http://www.ita.doc.gov/doctm/tmcal.html)

Recruitment will begin immediately and will close on September 22, 2006. The trade mission participation fee will be US\$3,700 per company plus \$300 for each additional traveler. The participation fee does not include the cost of travel and lodging. Participation is open to the first 10 qualified U.S. companies. Applications received after the closing date will be considered only if space and scheduling constraints permit.

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